

Conservation Tax

In addition to the severance tax, the value of oil or gas is subject to the conservation tax. Conservation tax is levied and assessed in the same manner as the severance tax. The tax is imposed on the value at the well of all oil and gas produced, saved, and sold or transported from the premises in Nebraska. The producer of the oil or gas pays the tax unless the oil or gas is sold within Nebraska. If the oil or gas is sold in

Nebraska, then the first purchaser in Nebraska pays the tax.

The conservation tax rate is .40%. Revenue from the conservation tax is deposited in the Oil and Gas Conservation Fund.

Table 11 – Conservation Tax Receipts

	2006	2005	2004	2003
January	\$50,334	\$32,423	\$21,380	\$27,832
February	33,350	33,171	23,104	23,553
March	56,045	37,605	66,213	44,672
April	11,563	38,027	9,443	28,846
May	96,814	51,578	12,526	26,709
June	27,195	31,503	31,436	43,500
July	33,620	39,687	31,080	29,212
August	52,911	36,268	46,937	18,146
September	25,510	62,437	18,630	28,078
October	46,532	68,393	55,920	31,428
November	26,004	16,812	34,267	9,915
December	23,652	55,889	39,368	37,948
Total	\$483,530	\$503,794	\$390,303	\$349,839

Litter Fee

The fee applies to manufacturers, wholesalers, and retailers with annual gross proceeds of at least \$100,000 from the sale of certain products. Retailers are required to pay the fee on sales of: (1) food for human consumption, beverages, soft drinks, carbonated water, liquor, wine, beer, and other malt beverages, unless sold by retailers solely for consumption indoors on the retailer's premises; (2) food for pet consumption; (3) cigarettes and other tobacco products; (4) household paper and household paper products; (5) cleaning agents; and (6) kitchen supplies. Manufacturers and wholesalers are required to pay the fee on sales of all of the items listed above for retailers, as well as glass

containers, metal containers, and plastic or fiber containers made of synthetic materials.

The fee is \$175 per \$1,000,000 (.000175) of gross sales of products subject to the fee. Revenue from the fee is deposited in the Nebraska Litter Reduction and Recycling Fund.

Table 12 – Litter Fee Receipts

	2006	2005	2004	2003
January	\$4,469	\$2,846	\$82,049	\$1,052
February	28,859	3,221	8,414	5,781
March	1,331	1,100	833	8,195
April	5,138	1,096	1,571	1,365
May	4,670	1,967	363	2,855
June	636	2,359	9,831	150
July	961	1,668	775	14,678
August	9,817	1,475	5,949	555
September	697,906	863,646	704,856	807,606
October	802,557	574,055	631,506	402,854
November	46,479	7,885	24,860	82,845
December	11,986	4,282	20,330	5,772
Total	\$1,614,809	\$1,465,600	\$1,491,337	\$1,333,707